

**HB 4253, As Passed Senate, May 31, 2001**

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4253**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2002; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for community colleges and  
5 certain other state purposes relating to education for the fiscal year  
6 ending September 30, 2002, from the funds indicated in this part. The  
7 following is a summary of the appropriations in this part:

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For Fiscal Year Ending  
September 30, 2002

## 1 COMMUNITY COLLEGES

2	GROSS APPROPRIATION.....	\$	335,859,616
3	Total interdepartmental grants and intradepartmental		
4	transfers.....		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	335,859,616
6	Total federal revenues.....		0
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total state restricted revenues.....		10,000,000
10	State general fund/general purpose.....	\$	325,859,616
11	<b>Sec. 102. OPERATIONS</b>		
12	Alpena Community College.....	\$	5,511,146
13	Bay de Noc Community College.....		5,382,745
14	Delta College.....		15,305,074
15	Glen Oaks Community College.....		2,624,550
16	Gogebic Community College.....		4,471,850
17	Grand Rapids Community College.....		19,002,358
18	Henry Ford Community College.....		23,787,975
19	Jackson Community College.....		12,857,082
20	Kalamazoo Valley Community College.....		13,564,412
21	Kellogg Community College.....		10,592,498
22	Kirtland Community College.....		3,133,019
23	Lake Michigan College.....		5,690,968
24	Lansing Community College.....		33,590,790
25	Macomb Community College.....		35,243,224
26	Mid Michigan Community College.....		4,809,077

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1	Monroe County Community College.....	4,682,875
2	Montcalm Community College.....	3,313,246
3	C.S. Mott Community College.....	16,872,217
4	Muskegon Community College.....	9,574,140
5	North Central Michigan College.....	3,233,910
6	Northwestern Michigan College.....	9,844,664
7	Oakland Community College.....	22,117,453
8	St. Clair County Community College.....	7,462,550
9	Schoolcraft College.....	13,145,294
10	Southwestern Michigan College.....	7,169,825
11	Washtenaw Community College.....	13,751,262
12	Wayne County Community College.....	17,564,785
13	West Shore Community College.....	<u>2,468,524</u>
14	GROSS APPROPRIATION..... \$	326,767,513
15	Appropriated from:	
16	Special revenue funds:	
17	Michigan merit award trust fund.....	5,000,000
18	State general fund/general purpose..... \$	321,767,513
19	<b>Sec. 103. GRANTS</b>	
20	At-risk student success program..... \$	3,692,102
21	Renaissance zone tax reimbursement funding.....	<u>400,001</u>
22	GROSS APPROPRIATION..... \$	4,092,103
23	Appropriated from:	
24	State general fund/general purpose..... \$	4,092,103
25	<b>Sec. 104. FINANCIAL AID</b>	
26	Postsecondary access student scholarship program..... \$	<u>5,000,000</u>

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1	GROSS APPROPRIATION.....	\$	5,000,000
2	Appropriated from:		
3	Special revenue funds:		
4	Michigan merit award trust fund.....		5,000,000
5	State general fund/general purpose.....	\$	0

6

7

8

PART 2

9

PROVISIONS CONCERNING APPROPRIATIONS

10 **GENERAL SECTIONS**

11       Sec. 201. Pursuant to section 30 of article IX of the state consti-  
12 tution of 1963, total state spending from state resources under part 1  
13 for fiscal year 2001-2002 is \$335,859,616.00 and state spending from  
14 state resources to be paid to local units of government for fiscal year  
15 2001-2002 is \$330,859,616.00. The itemized statement below identifies  
16 appropriations from which spending to local units of government will  
17 occur:

18	Operations.....	\$	326,767,513
19	At-risk student success program.....		3,692,102
20	Renaissance zone tax reimbursement program.....	\$	<u>400,001</u>
21	TOTAL.....	\$	330,859,616

22       Sec. 202. The appropriations authorized under this act are subject  
23 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

24       Sec. 208. Unless otherwise specified, the department of career  
25 development shall continue to pilot the use of the Internet to fulfill  
26 the reporting requirements of this act. This may include transmission of  
27 reports via electronic mail to the recipients identified for each

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1 reporting requirement or it may include placement of reports on the  
2 Internet or legislative Intranet site. The senate and house appropria-  
3 tions subcommittees and senate and house fiscal agencies shall be noti-  
4 fied in writing of the Internet or Intranet site of any such report.  
5 Quarterly, the department of career development shall provide to each  
6 member of the senate and house appropriations subcommittees, the senate  
7 and house fiscal agencies, and the state budget office both an electronic  
8 and paper copy listing of the reports submitted during the most recent  
9 3-month period, along with each report's Internet or Intranet site, if  
10 any.

11       Sec. 209. Funds appropriated in part 1 should not be used for the  
12 purchase of foreign goods or services, or both, if competitively priced  
13 and of comparable quality American goods and services, or both, are  
14 available. Preference should be given to goods and services, or both,  
15 manufactured or provided by Michigan businesses if they are competitively  
16 priced and of comparable value.

17       Sec. 210. The principal executive officer of each community college  
18 receiving appropriations in part 1 shall take all reasonable steps to  
19 ensure businesses in deprived and depressed communities compete for and  
20 perform contracts to provide services or supplies, or both. Each princi-  
21 pal executive officer shall strongly encourage firms with which the com-  
22 munity college contracts to subcontract with certified businesses in  
23 depressed and deprived communities for services, supplies, or both.

24       Sec. 211. (1) The money appropriated in this act is appropriated  
25 for community colleges with fiscal years ending June 30, 2002, and shall  
26 be paid out of the state treasury and distributed by the state treasurer  
27 to the respective community colleges in 11 monthly installments on the

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1 sixteenth of each month, or the next succeeding business day, beginning  
2 with October 16, 2001. Each community college shall accrue its July and  
3 August 2002 payments to its institutional fiscal year ending June 30,  
4 2002. However, if a community college fails to submit all verified  
5 Michigan community colleges activities classification structure data for  
6 school year 2000-2001 to the department of career development by  
7 November 1, 2001, the monthly installments shall be withheld from that  
8 community college until those data are submitted. The department of  
9 career development shall publish the activities classification structure  
10 data book for Michigan community colleges on or before March 1, 2002, for  
11 use by the legislature during budget development for the fiscal year  
12 ending September 30, 2003. The amount from the money appropriated in  
13 part 1 that is allocated under section 1 03 to address the special needs  
14 of at-risk students shall be paid in full by the state treasurer by  
15 November 1, 2001. The amount distributed to a community college or  
16 department shall not exceed the net state allocation authorized by this  
17 act.

18 (2) Except as otherwise provided by law, each of the amounts appro-  
19 priated shall be used solely for the respective purposes stated in this  
20 act. The money appropriated by this act may be used to match the cost of  
21 any available programs under the Carl D. Perkins vocational and applied  
22 technology education act, Public Law 88-210, 98 Stat. 2435, including  
23 local administration.

24 Sec. 212. (1) The auditor general or an independent public account-  
25 ing firm appointed by the auditor general shall audit data for the fiscal  
26 year ending on June 30, 2001, as submitted to the department of career  
27 development by 7 randomly selected community colleges. A community

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1 college shall maintain and provide those records necessary for the  
2 auditor general or certified public accountant appointed by the auditor  
3 general to determine the accuracy of the reported data. The audits shall  
4 be based upon the definitions and requirements contained in the Manual  
5 for Uniform Financial Reporting, Michigan Public Community Colleges, pub-  
6 lished by the Michigan state board of education in 1981, and the  
7 Activities Classification Structure Manual for Michigan Community  
8 Colleges, 1996 revision of the final report of the activities classifica-  
9 tion structure task force (July 1981), published by the department of  
10 education. Before the submission of a final audit report, a community  
11 college may appeal the findings of the preliminary report under an appeal  
12 process to be established by the auditor general. The auditor general  
13 shall submit a report of the findings to the house and senate appropria-  
14 tions committees, the department of career development, and the state  
15 budget director before June 1, 2002.

16 (2) The auditor general or a certified public accountant appointed  
17 by the auditor general shall conduct not less than 3 performance audits  
18 of community colleges but may conduct more if the auditor general consid-  
19 ers it necessary.

20 (3) Not more than 60 days after an audit report is released by the  
21 office of the auditor general, the principal executive officer of the  
22 community college that was audited shall submit to the house and senate  
23 appropriations committees, the house and senate fiscal agencies, the  
24 department of career development, the auditor general, and the state  
25 budget director a plan to comply with audit recommendations. The plan  
26 shall contain projected dates and resources required, if any, to achieve  
27 compliance with the audit recommendations, or a documented explanation of

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1 the college's noncompliance with the audit recommendations concerning the  
2 matters on which the audited community college and office of the auditor  
3 general disagree.

4       (4) A community college whose audited activities classification  
5 structure data is significantly different than the data used to determine  
6 state aid under this act shall return any overappropriated money as pro-  
7 vided in this section. The department of career development shall com-  
8 pare formula computations for the audited colleges using pre- and  
9 post-audit data. If the state allocation is 2% or more than the  
10 post-audit allocation amount, the college shall return the excess money.  
11 The returned money shall be redistributed to all 28 community colleges,  
12 prorated on the base appropriations contained in part 1.

13       Sec. 213. The department of career development shall review the  
14 taxonomy of the 7 community colleges selected for the audit under  
15 section 212 that is based on the Activities Classification Structure  
16 Manual for Michigan Community Colleges, 1996 revision of the final report  
17 of the activities classification structure task force (July 1981), pub-  
18 lished by the department of education.

19       Sec. 214. (1) A community college shall retain certified class sum-  
20 maries, class lists, registration documents, and student transcripts that  
21 are consistent with the taxonomy of courses. For each enrollment period  
22 during the fiscal year, these certified documents shall identify clearly  
23 by course the number of in-district and out-of-district student credit  
24 and contact hours. The class summaries and class lists shall be consis-  
25 tent with each other and shall include the course prefix and numbers,  
26 course title, course credit and contact hours, credit and contact hours  
27 generated by each student, and activity classifications consistent with



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1 the taxonomy. An auditable process shall be used by the community  
2 college to determine the unduplicated head count for in-district stu-  
3 dents, out-of-district students, and prisoners for each enrollment period  
4 during the fiscal year.

5 (2) Contracts between the community college and agencies that reim-  
6 burse the community college for the costs of instruction shall be  
7 retained for audit purposes.

8 Sec. 215. Each community college shall have an annual audit of all  
9 income and expenditures performed by an independent auditor and shall  
10 furnish the independent auditor's management letter and an annual audited  
11 accounting of all general and current funds income and expenditures  
12 including audits of college foundations to the legislature, the senate  
13 and house fiscal agencies, the auditor general, the department of career  
14 development, and the state budget director before November 15, 2001. If  
15 a community college fails to furnish the audit materials, the monthly  
16 state aid installments shall be withheld from that college until the  
17 information is submitted. All reporting shall conform to the require-  
18 ments set forth in the Manual for Uniform Financial Reporting, Michigan  
19 Public Community Colleges, published by the Michigan state board of edu-  
20 cation in 1981, as amended by the department of career development.

21 Sec. 216. (1) A community college shall pay the employer's contri-  
22 butions to the Michigan public school employees' retirement system cre-  
23 ated by the public school employees retirement act of 1979, 1980 PA 300,  
24 MCL 38.1301 to 38.1408, as a condition of receiving money appropriated  
25 under this act. If amendments to the public school employees retirement  
26 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, that require  
27 pre-funding of the health benefits portion of the Michigan public school

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1 employees' retirement system are enacted and take effect, those  
2 amendments apply to community colleges.

3 (2) A community college shall not pay an employer's contribution to  
4 more than 1 retirement fund providing benefits for an employee.

5 Sec. 217. An appropriation contained in this act shall not be used  
6 for the construction of buildings for, or operations of, a community col-  
7 lege not expressly authorized in part 1. Money appropriated in part 1  
8 shall not be used to pay for the construction or maintenance of a  
9 self-liquidating project.

10 Sec. 218. The department of career development shall ensure that a  
11 statistical report for minorities and women employees for the most recent  
12 school year, as submitted to the federal government, be included in the  
13 Michigan Community Colleges Enrollment Profile published by the depart-  
14 ment of career development. Also included in this profile shall be a  
15 statistical report for the most recent school year that includes enroll-  
16 ment statistics for minorities and women from the current year as submit-  
17 ted to the department of career development. The department of career  
18 development shall distribute a copy of this report to the state budget  
19 director and to members of the house and senate appropriations subcommit-  
20 tees on community colleges and the house and senate fiscal agencies no  
21 later than March 1, 2002.

22 Sec. 219. The department of treasury shall annually collect and  
23 compile data on the tax revenue losses to community colleges resulting  
24 from tax increment financing authorities (TIFA) and tax abatements. The  
25 department of treasury shall produce a report detailing the data. The  
26 report shall be completed and presented to the house and senate  
27 appropriations subcommittees on community colleges, the department of

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1 career development, and the department of management and budget not later  
2 than February 15, 2002. The report shall include, but is not limited to,  
3 the following:

4 (a) Estimated revenue losses for each community college for the cal-  
5 endar year 2001.

6 (b) Confirmed revenue losses for each community college for the cal-  
7 endar years 1999 and 2000.

8 (c) Other requirements requested by the house and senate appropria-  
9 tions subcommittees on community colleges.

10 Sec. 221. (1) Each community college shall report the following to  
11 the department of career development, no later than November 1, 2001:

12 (a) The number of North American Indian students enrolled each term  
13 for the previous fiscal year, using guidelines and procedures developed  
14 by the department of career development and the Michigan commission on  
15 Indian affairs.

16 (b) The number of Indian tuition waivers granted each term, and the  
17 monetary value of the waivers for the previous fiscal year.

18 (2) Colleges shall use the criteria cited in 1976 PA 174,  
19 MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers,  
20 and shall grant those waivers to individuals who meet the criteria and  
21 request tuition waivers.

22 (3) The department of career development shall compile the informa-  
23 tion received under subsection (1) and shall submit this compilation to  
24 the house and senate appropriations subcommittees on community colleges,  
25 the senate and house fiscal agencies, and the state budget director by  
26 January 7, 2002.

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1       Sec. 222. From the general fund/general purpose appropriation in  
2 part 1 for renaissance zone reimbursement funding, there is allocated  
3 \$400,000.00 to make reimbursement to community colleges, as provided by  
4 section 12 of the Michigan renaissance zone act, 1996 PA 376,  
5 MCL 125.2692, for property taxes levied in 2001. Reimbursements shall be  
6 made in amounts to each eligible recipient no later than 60 days after  
7 the department of treasury certifies to the state budget director that it  
8 has received all necessary information to properly determine the amounts  
9 due each eligible recipient under section 12 of the Michigan renaissance  
10 zone act, 1996 PA 376, MCL 125.2692. Excess allocations lapse to the  
11 general fund.

12       Sec. 223. (1) Upon request, a community college shall inform inter-  
13 ested Michigan high schools of the aggregate academic status of its stu-  
14 dents for the fiscal year beginning October 1, 2001, in a manner pre-  
15 scribed by the Michigan community college association and in cooperation  
16 with the Michigan association of secondary school principals.

17       (2) Each community college shall report by December 1, 2001, to the  
18 department of career development, a summary of the information provided  
19 under subsection (1) for the prior academic year.

20       (3) The department of career development shall compile the informa-  
21 tion received under subsection (2) and shall submit this compilation to  
22 the house and senate appropriations subcommittees on community colleges,  
23 the house and senate fiscal agencies, and the state budget director by  
24 February 1, 2002.

25       Sec. 224. (1) Recognizing the critical importance of education in  
26 strengthening Michigan's workforce, the legislature encourages the  
27 state's public community colleges to explore ways of increasing

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1 collaboration and cooperation with 4-year universities, particularly in  
2 the areas related to training, instruction, and program articulation.

3 (2) Community colleges shall report by December 1, 2001 to the  
4 department of career development on steps they have taken to increase  
5 collaboration and cooperation with 4-year universities under  
6 subsection (1).

7 (3) The department of career development shall compile the informa-  
8 tion received under subsection (2) and shall submit this compilation to  
9 the house and senate appropriations subcommittees on community colleges  
10 and the senate and house fiscal agencies by January 7, 2002.

11 Sec. 225. The legislature intends that all citizens of this state  
12 have geographic and programmatic access to quality comprehensive commu-  
13 nity college services. The legislature and the Michigan community col-  
14 lege association shall continue to review and analyze the recommendations  
15 made by the co-terminus task force to assure geographic and programmatic  
16 access to quality and comprehensive community college services. The leg-  
17 islature recognizes that as of January 1, 2001, there were also public  
18 universities that provide quality comprehensive community college serv-  
19 ices for citizens of this state who are not served by a community college  
20 district.

21 Sec. 226. Each community college shall report to the house and  
22 senate fiscal agencies and the department of career development a modifi-  
23 cation in credit or contact hour tuition or mandatory non-course-related  
24 student fees not later than 30 days after the modification is established  
25 by the college governing board.

26 Sec. 227. (1) Each community college shall report to the department  
27 of career development the numbers and type of associate degrees and other

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1 certificates awarded during the previous fiscal year. The report shall  
2 be made not later than November 15, 2001.

3 (2) The department of career development shall compile the informa-  
4 tion received under subsection (1) and shall submit this compilation to  
5 the house and senate appropriations subcommittees on community colleges,  
6 the senate and house fiscal agencies, and the state budget director by  
7 January 7, 2002.

8 Sec. 228. The legislature intends to achieve full funding of the  
9 Gast-Mathieu fairness in funding formula.

10 Sec. 229. (1) A community college receiving funding under this act  
11 and also subject to the student right-to-know and campus security act,  
12 Public Law 101-542, 104 Stat. 2381, shall make a copy of all material  
13 prepared in accordance with the public information reporting requirements  
14 under the crime awareness and campus security act of 1990, title II of  
15 the student right-to-know and campus security act, Public Law 101-542,  
16 104 Stat. 2384, available in hard copy and electronic format accessible  
17 through the Internet for school districts, parents, and students.

18 (2) On the department website, the department of career development  
19 shall provide a hyperlink to the United States department of education  
20 website or provide access to a hard copy of information requested under  
21 subsection (1) for school districts, parents, and students.

22 Sec. 230. (1) A community college shall not expend money appropri-  
23 ated under this act to provide health care coverage for community college  
24 employees or their dependents for abortion services, other than for spon-  
25 taneous abortion or to prevent the death of the woman upon whom the abor-  
26 tion is performed. A community college shall not approve a collective  
27 bargaining agreement or enter into any other employment contract that

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1 includes health care coverage for abortion services other than  
2 spontaneous abortion or to prevent the death of the woman upon whom the  
3 abortion is performed.

4 (2) If a community college expends money appropriated under this act  
5 in violation of subsection (1), the community college shall repay to this  
6 state an amount equal to the amount of money spent in violation of  
7 subsection (1).

8 Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83,  
9 MCL 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271,  
10 the legislature intends that a community college receiving funding under  
11 this act shall not use part 1 money to extend employee benefits to the  
12 unmarried partners of the community college's employees except for pre-  
13 and post-natal costs.

14 Sec. 233. Community colleges that include prescription drugs and  
15 medications as a covered health benefit for adults are encouraged to  
16 ensure that payment for preventative contraceptives are included in the  
17 insurance plan.

18 Sec. 234. The legislature intends that each community college do  
19 all of the following:

20 (a) Undertake active measures to promote equal opportunities, elimi-  
21 nate discrimination, and foster a diverse student body and administration  
22 among all people including, but not limited to, women, minorities,  
23 seniors, veterans, and people with disabilities.

24 (b) Review, analyze, and eradicate activities that may tend to  
25 discriminate.

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### 1 STATE AID - OPERATIONS

2       Sec. 301. Unless otherwise stated, all data items used in determin-  
3 ing state aid in this act are as defined in the Manual for Uniform  
4 Financial Reporting, Michigan Public Community Colleges, published by the  
5 Michigan state board of education in 1981, which shall be the basis for  
6 reporting data, and the Activities Classification Structure Manual for  
7 Michigan Community Colleges, 1996 revision of the final report of the  
8 activities classification structure task force (July 1981), published by  
9 the department of education, which shall be used to document financial  
10 needs of the community colleges, as amended by the department of career  
11 development.

12       Sec. 302. A community college shall not include in the enrollment  
13 report any student credit hours or student contact hours for a student  
14 incarcerated in a Michigan penal institution. Exclusion of these stu-  
15 dents is intended to avoid the payment of state aid under this act for  
16 the same individuals for whom reimbursement is provided by the state cor-  
17 rectional system.

### 18 GRANTS

19       Sec. 401. (1) The community college at-risk student success program  
20 is continued. The funding shall be prorated among community colleges  
21 based on the number of student contact hours for developmental and prepa-  
22 ratory instruction reported by each community college to the department  
23 of career development for use in the Activities Classification Structure  
24 Manual for Michigan Community Colleges, 1996 revision of the final report  
25 of the activities classification structure task force (July 1981),



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1 published by the department of education. Of the amount appropriated in  
2 part 1 for the at-risk student success program, \$1,120,000.00 is allo-  
3 cated for base grants of \$40,000.00 each, to address the special needs of  
4 at-risk students at community colleges or the acquisition or upgrade of  
5 technology related equipment and software.

6 (2) Of the amount appropriated in part 1 for the at-risk student  
7 success program, the balance of the appropriated money shall be distrib-  
8 uted on a proration utilizing the sum of the most recent 3 years  
9 developmental/preparatory contact hours divided by the sum of the 3-year  
10 total contact hours at each college. Each community college's percentage  
11 shall be divided by the sum of all the percentages systemwide to obtain  
12 each community college's prorated grant amount.

13 (3) For the fiscal year ending September 30, 2002, the at-risk stu-  
14 dent success program money is allocated as follows:

15	Alpena Community College.....	\$	104,004
16	Bay de Noc Community College.....		98,650
17	Delta College.....		110,240
18	Glen Oaks Community College.....		135,832
19	Gogebic Community College.....		78,902
20	Grand Rapids Community College.....		74,179
21	Henry Ford Community College.....		164,807
22	Jackson Community College.....		113,768
23	Kalamazoo Valley Community College.....		113,499
24	Kellogg Community College.....		158,343
25	Kirtland Community College.....		158,732
26	Lake Michigan College.....		192,554

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1	Lansing Community College.....	157,864
2	Macomb Community College.....	91,038
3	Mid Michigan Community College.....	129,419
4	Monroe Community College.....	99,275
5	Montcalm Community College.....	71,694
6	Mott Community College.....	109,157
7	Muskegon Community College.....	213,016
8	North Central Michigan College.....	178,336
9	Northwestern Michigan College.....	120,677
10	Oakland Community College.....	159,354
11	St. Clair Community College.....	80,413
12	Schoolcraft College.....	150,164
13	Southwestern Michigan College.....	180,632
14	Washtenaw Community College.....	161,709
15	Wayne County Community College.....	149,384
16	West Shore Community College.....	136,460

17       (4) As used in this act, "at-risk students" means students who meet  
18 1 or more of the following criteria:

19       (a) Are initially placed in 1 or more developmental courses as a  
20 result of standardized testing or as a result of failure to make satis-  
21 factory academic progress.

22       (b) Are diagnosed as learning disabled.

23       (c) Require English as a second language (ESL) assistance.

24       (5) Grant funding under this section shall be utilized to address  
25 the special needs of at-risk students or for equipment or upgrade of  
26 information technology hardware or software. Activities related to  
27 services provided to at-risk students include, but are not limited to,

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1 pretesting for academic ability, counseling contacts, and special  
2 programs. Equipment or information technology hardware or software pur-  
3 chased under this section need not be associated with the operation of a  
4 program designed to address the needs of at-risk students.

5 (6) Grant funding under this section shall not be used for indirect  
6 costs including, but not limited to, rent, utilities, or, except as pro-  
7 vided in this section, college administration.

8 (7) Each community college shall report to the department of career  
9 development a summary of all accomplishments under, expenditures for, and  
10 compliance with the intent of this program, including the number of  
11 at-risk students served. The report is subject to audit as provided for  
12 in section 212(1). The report shall be submitted not later than 90 days  
13 after the end of the state's fiscal year. The department of career  
14 development shall compile the information received under this subsection  
15 and shall submit this compilation to the house and senate appropriations  
16 subcommittees on community colleges, the senate and house fiscal agen-  
17 cies, and the state budget director by 120 days after the end of the  
18 state's fiscal year.

19 (8) Each community college receiving grant money under this section  
20 shall, not more than 12 months after receipt of that money, certify to  
21 the state treasurer, the state budget director, the house and senate  
22 fiscal agencies, and the auditor general whether all the grant money is  
23 expended or encumbered.

24 Sec. 402. The legislature intends that any executive or legislative  
25 proposal or action, subsequent to the adoption of a recommendation for  
26 appropriations for community colleges for the fiscal year ending  
27 September 30, 2002, to increase appropriations to state-supported 4-year

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1 universities in excess of the governor's original recommendation for the  
2 fiscal year ending September 30, 2002, will be accompanied by a similar  
3 action or proposal for state-supported community colleges.

4       Sec. 403. The legislature intends that not less than 70% of the  
5 economic development job training grant money be awarded to community  
6 colleges or a consortium of community colleges and other eligible appli-  
7 cants as provided in the budget that appropriated the economic develop-  
8 ment job training grant money. Further, the legislature intends that at  
9 least a portion of the total appropriation for economic development job  
10 training grants be awarded to community colleges that offer certified  
11 programs that are bureau of apprenticeship training certified. The  
12 Michigan economic development corporation shall report by November 1 of  
13 each year to the house and senate appropriations subcommittees on commu-  
14 nity colleges and the senate and house fiscal agencies the names of the  
15 community colleges awarded grant money under this section, the amount of  
16 the grants awarded, and the percentage awarded to bureau of apprentice-  
17 ship training certified programs.

18       Sec. 404. (1) The Michigan postsecondary access student scholarship  
19 (PASS) program is established to provide a PASS award as calculated under  
20 this section for a student who is eligible under subsection (2), (3), or  
21 (4). The Michigan higher education assistance authority (MHEAA) shall  
22 administer the PASS program, for which there is \$5,000,000.00 appropri-  
23 ated in part 1, and the PASS program shall comply with the requirements  
24 of this section.

25       (2) A student is eligible for a PASS award for the equivalent of  
26 2 years of full-time college enrollment if the student meets all of the  
27 following:

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1 (a) The student must be a Michigan resident enrolled in a program  
2 leading to an associate degree that was in existence as of January 1,  
3 2000, at a Michigan public community college, Michigan public university,  
4 or Michigan independent nonprofit, degree-granting college or  
5 university.

6 (b) The student must be enrolled at least half-time.

7 (c) The student must have scored at level 1 or level 2 on the high  
8 school Michigan education assessment program (MEAP) tests in reading,  
9 writing, mathematics, and science.

10 (d) The student must be eligible for a federal Pell grant.

11 (e) Other requirements established by the MHEAA.

12 (3) A student who meets all the requirements of subsection (2),  
13 other than subsection (2)(c), but has taken the high school MEAP tests in  
14 reading, writing, mathematics, and science while in high school shall  
15 receive a PASS award for 1 year of college enrollment. If the student  
16 maintains satisfactory academic progress in that first year of college  
17 enrollment, the student shall receive a PASS award for a second year of  
18 college enrollment.

19 (4) A student who meets all the requirements of subsection (2),  
20 other than subsection (2)(c), shall receive a maximum \$500.00 PASS  
21 award, not to exceed tuition and fees, for the second year of college  
22 enrollment. A student may qualify under this section whether or not the  
23 student took any of the high school MEAP tests.

24 (5) PASS award eligibility is limited to 2 semesters or 3 terms in  
25 any academic year.

26 (6) A PASS award for a student eligible under subsection (2), (3),  
27 or (4) shall be calculated by the MHEAA as the amount remaining after

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1 subtracting from the value of the student's allowable tuition and fees,  
2 as prescribed in subsection (8), all of the following state and federal  
3 financial educational assistance for which that student is eligible:

4 (a) Michigan competitive scholarship.

5 (b) Michigan tuition grant.

6 (c) Federal hope scholarship tax credit.

7 (7) Each higher education institution shall prepare and utilize a  
8 tax credit table that imputes an amount to be subtracted under  
9 subsection (6) for the federal hope scholarship tax credit.

10 (8) The value of a student's allowable tuition and fees is as  
11 follows:

12 (a) For a student enrolled at a Michigan community college, the  
13 value of allowable tuition and fees is the in-district tuition and fees.  
14 For a student who does not reside within a community college district,  
15 the value of allowable tuition and fees is the out-of-district tuition  
16 and fees for the community college that the student is attending.

17 (b) For a student enrolled at a Michigan public university, the  
18 value of allowable tuition and fees is the highest in-district tuition  
19 and fees for community colleges for the immediately preceding academic  
20 year as reported before August 1 after that academic year.

21 (c) For a student enrolled at a Michigan independent, nonprofit,  
22 degree-granting college or university, the value of allowable tuition and  
23 fees is the highest in-district tuition and fees for community  
24 colleges for the immediately preceding academic year as reported  
before August 1 after that academic year.

25 (9) The MHEAA shall remit an eligible student's PASS award to a  
26 higher education institution in accordance with procedures established by  
27 the MHEAA.

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1       (10) The PASS award may be utilized by the student to pay costs of  
2 attendance as determined by the MHEAA.

3       (11) The PASS program shall not be applied for a student's theology  
4 or divinity courses.

5       (12) The MHEAA shall develop an application and eligibility determi-  
6 nation process that ensures that all of the requirements prescribed by  
7 this section are met.

8       (13) Students who are expected to receive a tuition incentive pro-  
9 gram scholarship are not eligible for the PASS program.

10       (14) The MHEAA shall submit to the senate and house appropriations  
11 subcommittees on community colleges, the house and senate fiscal agen-  
12 cies, and the department of management and budget by March 1, 2002, a  
13 comprehensive report on the PASS program from December 31, 2000 to  
14 February 1, 2002, including, but not limited to:

15       (a) Number of PASS program recipients by college.

16       (b) Average PASS award per student, including minimum and maximum,  
17 by college.

18       (c) Total PASS program expenditures.

19       (d) Other applicable PASS program information, including, but not  
20 limited to, the estimated PASS program and cost impact of removing age  
21 restrictions and of raising the income eligibility amount.

22       (15) The department of treasury shall advertise the PASS program on  
23 the Michigan higher education assistance authority website.